

STAKEHOLDER ENGAGEMENT

APPROACH

Northam's day-to-day business relies on its capacity to develop and maintain enduring, mutually beneficial relationships with its stakeholders. The company defines its stakeholders as those individuals, groups and entities directly affected, both positively and negatively, by its business activities.

The company's stakeholder engagement policy is reviewed annually, and regulates Northam's various engagement approaches with both internal and external stakeholders. Most recently the stakeholder engagement policy was reviewed and approved by the board in April 2014.

In line with the company's governance procedures, Northam's chief executive and chief financial officer are responsible for the approval of all external stakeholder engagement interventions, while the general managers at each operating division, together with the corporate human resources and

transformation manager are accountable for the internal aspects.

The company conducts a sustained programme of communication directed at its stakeholders, including shareholders and their advisors, employees, unions, communities, government and regulators and non-governmental organisations (NGOs).

Northam is a member of the Chamber of Mines and actively participates in the Chamber's industry initiatives.

The company's major impacts are felt at the operational level. As such, operational management is empowered to deal with any concerns raised by stakeholders. Management is committed to reacting timeously to any stakeholder concerns, and engages both formally and informally. External stakeholder concerns may be escalated to the chief financial and chief executive officers, and to the board sub-committees, which deal with the relevant disciplines.



Northam engages with stakeholders in terms of an annually reviewed policy



R750 million
REVENUE LOSS
R151.0 million
LOSS IN EMPLOYEE
WAGES



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NORTHAM
PLATINUM LIMITED

Wage negotiations and the 11-week strike at Zondereinde

A key concern for various stakeholders during the year was the impact of the 11-week NUM strike following the inability of the parties to reach a settlement on wage increases at the company's Zondereinde operation. All stakeholders were affected either directly or indirectly by the strike. This included employees and their local communities, the investment community, suppliers and contractors, media, local and national government and Northam's industry peers.

At ground level, management actively engaged with employees and union representatives in order to find an affordable solution that would benefit employees but would also ensure the sustainability of the operation.

In a novel development the company established a web-based platform for stakeholders which provided latest and reliable strike and negotiations related information. F2014 WAGE NEGOTIATIONS provided current and up-to-date information for both internal and external stakeholders including investors, analysts and the media.

ENGAGING WITH STAKEHOLDERS

Shareholders (providers of capital), research analysts and fund managers

Northam provides information on operating, financial and other performance in a timely and equitable manner through the regulatory channels such as the JSE Stock Exchange News Service (SENS), accompanied by website postings, electronic web-based communiques to a database of registered stakeholders including the investment community and the media. In terms of the company's inclusive approach, it focuses on clear and plain English in its communication material.

Shareholders are encouraged to participate in the annual general meeting (AGM) of the company and to raise issues of concern or interest directly. The notice of meeting is a regulated issue and shareholders are notified accordingly.

Employees and unions

Relations with employees and organised labour are governed by recognition agreements and conditions of employment by legislation.

Northam supports the rights of all employees to freedom of association and acts in accordance with the South African Constitution, prescribed legislation, industry compacts and recognition agreements with unions.

The company encourages open communication and consultation and employees are encouraged to raise issues of concern and interest via the formal and informal structures in place, including through the human resources discipline, line management and union structures.

Communities

Community development is prescribed by the commitments made in the company's social and labour plans (SLPs). In line with the requirements of the Mining Charter, Northam ensures that its policies and practices are aligned with those of the local municipalities' integrated development plans (IDPs) as far as reasonably possible.

Northam engages on a formal and regular basis with local authorities, including the Moses Kotane and Thabazimbi municipalities in respect of Zondereinde and the Thaba Chweu Municipality in respect of Booyssendal. Community forums are in place to address community concerns, in particular issues such as local employment, training, and development and procurement.

Customers

Northam has long-standing relationships with its customer base. The company's marketing department maintains regular weekly contact with its domestic and international customers, and hosts customer meetings and visits customer facilities. Customer representatives, in turn, visit Northam's mining and metallurgical operations.

Any issues relating to customer satisfaction are directly taken up with the marketing department.

KEY STAKEHOLDERS, CONCERNS AND CHANNELS OF COMMUNICATION

Key stakeholder	Topics/concerns	Communication channels
Shareholders and investors	• Operating and financial performance • Share price performance and dividends • Issues related to the sustainability of the company: • labour relations • risk mitigation • legislation • safety See the financial capital section of this report – page 87	Company announcements SENS Company website Preliminary and annual results presentations One-on-one investor meetings Investor site visits Roadshows AGMs and special shareholder meetings Annual integrated reports CDP submissions CDP water submissions
Employees	• Wage negotiations • Job security • Training and development • Health and safety • Company performance	Company policies Collective bargaining practices Team briefings Two-way manager-employee communication Let's talk campaigns: - recruitment - HIV/AIDS - education - performance
Customers	• Impact of industrial action on supply • Continued availability of supply • Quality of supply	Company announcements Company reports Website Formal presentations Roadshows Site visits CDP submissions CDP water submissions

STAKEHOLDER ENGAGEMENT CONTINUED

KEY STAKEHOLDERS, CONCERNS AND CHANNELS OF COMMUNICATION CONTINUED

Key stakeholder	Topics/concerns	Communication channels
Suppliers and contractors	• Impact of the strike on suppliers • Sustainability of the company • Company's financial performance • Employment practices • Local procurement practices • Quality control • Preferential procurement practices	Company announcements Company practices and policies Preferential procurement policies Open days Dialogue
Media	• Impact of the strike on the company, employees, the industry and the South African economy • Operating and financial performance • Corporate activity • Environmental issues • Community-related topics	Company announcements Website Online presentations Media site visits Company reports Interviews
Communities and NGOs	• Impact of the strike on local business • LED/CSI • Employment • Job opportunities • Health related issues • Skills development • Environmental impact	Community forums Stakeholder forums Industry partnerships Community engagement programmes Wellness campaigns Dialogue
Government and regulatory authorities	• Labour relations • Licence to operate • Employment • Education and training • Environmental impact and rehabilitation	Formal processes Participation in industry associations Social and labour plans Dialogue Company reports Site visits